

United States Treasury Frauds Exposed.

IN THE SENATE OF THE UNITED STATES.

April 28, 1880.—Ordered to be printed. December 17, 1880.—Ordered to be reprinted.

Mr. DAVIS, of West Virginia, from the Select Committee to Investigate the Finance Reports, Books and Accounts of the Treasury Department, submitted the following report:

The original resolution under which your committee was organized was adopted by the senate at the first session of the Forty-fifth congress, and was as follows:

IN THE SENATE OF THE UNITED STATES,
November 19, 1877.

Resolved, That a committee of five be appointed by the chair to investigate the finance reports, books, and accounts of the treasury department, particularly with reference to differences, discrepancies, and alterations in amounts and figures that have been made in them, if any such there be, especially in the annual statements of the expenditures of the government, revenue collected, and the public debt contained in said reports; and if any such differences, discrepancies, and alterations be found to exist, to report the same and the extent and nature thereof, the years wherein they occur, by what authority made, if any, the reasons that induced them, and to report generally such other and further information bearing upon the subject as to them may seem best; and that said committee have power to send for persons and papers, to take testimony, to employ a stenographer and two clerks, and leave to sit during the session of the senate; and that the expenses attending this investigation shall be paid out of the contingent fund of the senate, upon vouchers approved by the committee; and said committee shall not be dissolved by the expiration of the present session of the senate, but shall exist until it shall make its report or shall be discharged.

Under this resolution Senators Davis of West Virginia, Beck, Allison, Ingalls and Cameron of Pennsylvania were appointed the committee to make the investigation. The committee not having concluded its labors during the Forty-fifth congress, was continued by the senate, with the same powers, at the first session of the Forty-sixth congress, March 19, 1879, and Senators Whyte and Dawes were substituted for Senators Allison and Cameron, so that the committee as reconstituted consists of Senators Davis, Beck, Whyte, Ingalls and Dawes.

CHANGES AND ALTERATIONS IN THE FINANCE REPORTS, BOOKS, ETC.

The attention of the senate was first called to the changes and alterations in the finance reports, books, and accounts of the treasury department, which form the subject of this investigation by the chairman of this committee, both by resolution and by speech in the senate, in the month of January, 1876. He then asked for the appointment of a select committee to examine the matter. This the senate, at that time, was disinclined to grant, and, instead, referred the resolution to the standing committee on finance, which, after consulting the then secretary of the treasury, embodied his letter of explanation as its report in the main, which was submitted and ordered to be printed; no further or other action being taken during that (the Forty-fourth) congress. On the assembling of the Forty-fifth congress, the resolution for a special committee of investigation was renewed by its original mover and adopted by the senate.

The purpose of allowing the employment by this committee of two clerks was to enable them to obtain the services of competent accountants. One of those so employed, and who has been thus engaged since the committee began its investigation, is Mr. William Woodville. He testified (see testimony page 43) that he had made a complete examination in the *Congressional Record* of the several speeches made by the chairman in the senate, and compared them carefully with the finance reports of the treasury department, and the result of his examination in part is here inserted, with the decision of the committee as to its admissibility as evidence when so offered before the committee (see testimony, pages 48 to 61):

The committee admit the statement, the figures and tables therein contained, taken from the speeches of Mr. Davis in the senate, as reported in the *Congressional Record*, having been by the witness, Woodville, carefully compared with the official finance reports to congress, for the years named therein, and found by him to be accurately stated from these finance reports, with the exception of the footings and such corrections as he has therein named, which will be found at the end of the statement; but the remarks in these speeches of Mr. Davis himself in connection with these figures, and his inferences drawn from them, are no part of the testimony of the witness. The footings themselves were found to be correct as footings. The witness having gone through the processes of addition and subtraction as to said footings as therein put down, found them to be correct, so far as addition and subtraction were concerned, without expressing or being called upon to express any opinion in reference to them.

FOR YEAR 1864.

Report for 1866 states net revenue collected.....\$264,026,771.60
Report for 1870 states net revenue collected.....262,742,354.32

Showing a decrease of.....\$ 1,284,417.28

FOR YEAR 1865.

Report for 1866 states net revenue collected.....\$333,714,605.08
Report for 1870 states net revenue collected.....323,092,765.02

Showing a decrease of.....\$ 1,021,819.16

Annual expenditures as shown by reports of 1869 and 1870.

Years.	Total annual expenditures as stated in finance report for—		Increase in report of 1870 over 1869.	Decrease in report of 1870 over 1869.
	1869 and previous reports.	1870 and subsequent reports.		
1869-61.....	\$ 85,387,313.08	\$ 85,387,363.08	\$ 50.00	
1861-62.....	570,841,700.25	565,867,358.08		\$5,174,342.17
1862-63.....	895,799,630.65	890,815,911.25	4,013,280.60	
1863-64.....	1,298,144,656.00	1,295,541,144.86		2,603,511.14
1864-65.....	1,807,674,224.03	1,806,433,331.37	8,769,107.28	
1865-66.....	1,741,074,606.09	1,739,344,081.95		1,730,524.14
Total.....	\$5,888,917,190.10	\$5,892,180,100.89	\$13,778,437.88	\$3,996,467.45
Difference or Increase.....			3,271,970.43	

Year.	Public debt as stated in the finance report for—		Increase.	Decrease.
	1871 and subsequent reports.	1870 and previous reports.		
1863.....	\$ 534,178,412.13	\$ 514,211,371.92	\$ 9,965,040.21	
1863.....	1,119,772,138.63	1,098,793,181.37	20,978,957.26	
1864.....	1,115,784,370.57	1,740,694,489.49	75,093,881.09	
1865.....	2,040,647,869.74	2,682,583,046.53		\$ 1,945,186.79
1866.....	2,773,236,173.69	2,783,458,879.21		10,189,706.52
1867.....	2,678,126,103.87	2,694,199,215.12		14,013,111.25
1868.....	2,611,687,851.19	2,636,350,964.07		24,663,112.48
1869.....	2,588,452,213.94	2,489,601,440.58	99,449,733.36	
1870.....	2,484,672,427.81	2,386,358,699.74	94,338,226.07	
Total.....	\$19,272,555,561.57	\$19,023,595,306.63	\$299,801,439.08	\$20,811,087.04
Total difference or increase.....			245,963,352.94	

Secretary's table, finance report or 1875.....	\$143,540,493.44	
Increase.....		\$13,554,419.89
Letter of commissioner of pensions, July 25, 1876.....	129,391,228.38	
Decrease.....		405,154.83
Difference of increase in secretary's table.....	\$ 13,149,265.06	\$13,149,265.06

Pension Expenditures.

Year.	Report for 1869.	Report for 1870.	Increase.
1846.....	\$1,809,739.62	\$1,811,997.66	\$ 1,357.04
1849.....	193,685.87	13,887.64	1,135,171.77
1859.....	161,190.66	1,222,222.71	1,061,032.05
Total increase.....			\$2,197,561.76

War Expenditures.

Year.	Report for 1869.	Report for 1871.	Increase.
1844.....	\$ 5,192,445.05	\$ 5,218,183.65	\$ 25,738.61
1846.....	10,362,574.36	10,413,370.18	50,965.82
1847.....	35,776,495.74	35,840,430.33	63,934.61
1869.....	14,472,302.72	16,472,302.72	2,000,000.00
Total increase.....			\$2,140,209.04

Expenditures in Indian Bureau.

Year.	Report for 1869.	Report for 1871.	Increase.
1848.....	\$1,103,251.78	\$1,252,296.81	\$ 149,045.03
1849.....	509,263.25	1,374,161.55	864,898.30
1854.....	1,413,995.08	1,654,39.55	240,404.47
1855.....	2,708,317.71	2,772,990.78	64,673.07
1856.....	2,590,465.93	2,644,263.97	53,797.04
1857.....	4,241,428.60	4,355,643.64	114,215.04
1858.....	2,223,492.27	2,327,048.37	103,556.10
1861.....	2,638,297.80	2,629,973.97	91,678.17
1865.....	4,966,964.90	5,009,340.71	42,375.81
1869.....	3,247,064.56	3,495,729.32	248,664.76
Total increase.....			\$1,614,668.89

Statement showing total receipts as stated for the same year.

Year.	Report for 1869.	Report for 1871.	Decrease.
1837.....	\$27,917,142.19	\$27,883,853.84	\$ 33,288.35
1840.....	25,069,692.84	25,034,193.50	35,499.34
1847.....	55,401,804.58	55,338,168.52	63,636.06
1848.....	57,046,889.65	56,994,479.21	52,410.44
1850.....	47,669,766.75	47,649,888.88	19,877.87
1853.....	61,803,404.68	61,504,102.81	299,301.77
1859.....	81,773,905.64	81,758,507.30	15,398.34
Total decrease.....			\$517,892.17

Miscellaneous Receipts.

Year.	Report for 1869.	Report for 1871.	Decrease.
1837.....	\$5,625,479.15	\$5,562,190.80	\$63,288.35
1848.....	627,021.13	577,775.99	49,245.14

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See Prospectus on Page 7 of this issue.